

Message Text

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ORIGIN ARA-14

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E.O. 11652: N.A.

TAGS: OAS, ETRD

SUBJECT: OAS SUGAR AND TRADE MEETING

REF: STATE 282407 (NOTAL)

SUMMARY: AT THE NOVEMBER 28 SPECIAL SESSION OF THE OAS
PERMANENT COUNCIL, 16 MEMBER COUNTRIES COMPLAINED ABOUT
THE RECENT U.S. ACTIONS ON SUGAR IMPORTS AND LACK OF
PRIOR CONSULTATION IN THE OAS ON THESE ACTIONS. FOR THE
MOST PART, THE TONE OF THE MEETING WAS CONSTRUCTIVE AND
HOPEFUL, AND THOSE FEW WHO TENDED TOWARD STRIDENCY RE-
CEIVED NO SUPPORT. U.S. REPRESENTATIVES GAVE A DETAILED
EXPLANATION OF OUR SUGAR ACTIONS AND FORCEFULLY RESTATED
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OUR INTEREST IN OAS TRADE CONSULTATIONS. END SUMMARY.

1. THE DOMINICAN REPUBLIC, WHICH HAD OPENED THE DEBATE
TWO WEEKS EARLIER, SENT SUGAR EXPERT FELIPE VICINI FROM
SANTO DOMINGO AS ITS SPECIAL AMBASSADOR; ALL OTHER
COUNTRIES WERE REPRESENTED BY THEIR PERMANENT MISSIONS IN
WASHINGTON. PANAMA LED OFF THE DEBATE WITH A PREPARED

STATEMENT LEFT BY AMBASSADOR PITY WHO HAD TO RETURN TO PANAMA. HIS STATEMENT WAS RATHER FORCEFUL AND SUGGESTED THAT TRADE QUESTIONS COULD BETTER BE HANDLED IN SELA. THIS SUGGESTION WAS NOT TAKEN UP BY ANY OTHER DELEGATION,

AND IN FACT THE ARGENTINE AMBASSADOR INDIRECTLY REFUTED THE POINT. VICINI THEN ARGUED THAT EXPORTERS, PARTICULARLY HIS OWN COUNTRY, WERE THREATENED ECONOMICALLY BY THIS PROTECTIONIST U.S. SUGAR ACTION, AND PROPOSED THAT THE TARIFF AND IMPORT FEE MEASURES BE REPLACED BY COUNTRY-BY-COUNTRY QUOTAS. HE WAS THE ONLY LATIN DELEGATE TO FOCUS ON THE SUBSTANCE OF THE SUGAR MEASURES AND WAS NOT SUPPORTED ON HIS CALL FOR QUOTAS.

2. AMBASSADOR MARCHAND OF PERU MADE THE LONGEST SPEECH, FILLING HIS HALF HOUR INTERVENTION WITH CONSIDERABLE THIRD WORLD RHETORIC. HE ALONE AMONG THE SPEAKERS REFERRED TO THE NEED TO REVIVE THE DORMANT OAS REFORM EFFORT AND ITS DRAFT TREATY ON COLLECTIVE ECONOMIC SECURITY. THE COMMON THREAD OF THE REMAINING SPEAKERS FROM THE CARIBBEAN AND THROUGHOUT LATIN AMERICA WAS THE NEED FOR PRIOR CONSULTATION IN CECON ON MEASURES AFFECTING THEIR EXPORTS TO THE U.S. ALTHOUGH THE LITANY BECAME REPETITIOUS, IT SEEMED TO REFLECT MORE DISAPPOINTMENT THAN HOSTILITY. THE CUMULATIVE EFFECT WAS ONE OF SOLIDARITY AND VERY SERIOUS CONCERN.
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3. FOR THE U.S., DEPUTY ASSISTANT SECRETARY BOSWORTH (EB) EXPLAINED IN SOME DETAIL THE REASONS FOR THE U.S. ACTIONS, AND STATED THEY WERE MERELY TEMPORARY. HE SAID WE WILL SUSPEND THESE ACTIONS AS SOON AS THE PROVISIONS OF THE NEW ISA BEGIN TO HAVE THE DESIRED ECONOMIC EFFECT ON WORLD PRICES. U.S. AMBASSADOR MCGEE SPOKE OF U.S. ECONOMIC CONDITIONS, ESPECIALLY UNEMPLOYMENT, WHICH CAUSE PUBLIC OPINION TO TURN PROTECTIONIST, BUT SAID PROTECTIONISM IS NOT THE USG POLICY. HE EMPHASIZED THE IMPORTANCE OF CONSTRUCTIVE EXECUTIVE AND CONGRESSIONAL LEADERSHIP IN RESISTING PROTECTIONISM AND BROADENING INTERNATIONAL TRADE THROUGH THE NEW ISA AND CECON. HE UNEQUIVOCALLY RESTATED OUR INTENTION OF CONSULTING WITH OAS COUNTRIES IN ACCORDANCE WITH THE RULES OF CECON.

4. A WORKING GROUP WHICH INCLUDES THE U.S. IS PRESENTLY WORKING ON A DECLARATION WHICH IS TO CONVEY THE SENSE OF THE MEETING. THE OTHERS HOPE THAT THE U.S. WILL BE ABLE TO JOIN A CONSENSUS IN FAVOR OF THE DECLARATION AND ARE THUS WILLING TO DRAFT MORE MODERATE LANGUAGE THAN WE COULD EXPECT IN A STRICTLY LATIN AMERICAN DECLARATION.

RATION. THIS DOCUMENT SHOULD BE COMPLETED BY DECEMBER 2.
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